

BAY AREA CONGRESSMEN RELEASE REPORT SHOWING HIGH COSTS FOR BAY AREA SENIORS UNDER MEDICARE DRUG PLAN

Sunday, 05 March 2006

U.S. Representatives Pete Stark, Nancy Pelosi, George Miller, Tom Lantos, Lynn Woolsey, Zoe Lofgren, Ellen Tauscher, Barbara Lee, Mike Thompson and Mike Honda, the Bay Area's Democratic delegation in the House of Representatives, today released a report demonstrating how the Medicare drug program has failed to provide meaningful drug discounts for Bay Area seniors. The House Government Reform Committee's Democratic staff produced the report.

FOR IMMEDIATE RELEASE

Monday, March 6, 2006

CONTACT:

Yoni Cohen/Stark (202) 225-3202

Jennifer Crider/Pelosi (202) 226-7616

Andrea Purse/Miller (202) 225-7387

Lynne Weil/Lantos (202) 225-3531

Susannah Cernojevich/Woolsey (202) 225-5187

Kyra Jennings/Lofgren (202) 225-3072

Kevin Lawlor/Tauscher (202) 225-1880

Nathan Britton/Lee (202) 225-2661

Matt Gerien/Thompson (202) 225-3311

Emily Ihara/Honda (202) 225-2631

BAY AREA CONGRESSIONAL DELEGATION RELEASES REPORT SHOWING HIGH COSTS FOR BAY AREA SENIORS UNDER MEDICARE DRUG PLANS

WASHINGTON, DC

— U.S. Representatives Pete Stark, Nancy Pelosi, George Miller, Tom Lantos, Lynn Woolsey, Zoe Lofgren, Ellen Tauscher, Barbara Lee, Mike Thompson and Mike Honda, the Bay Area's Democratic delegation in the House of Representatives, today released a report

demonstrating how the Medicare drug program has failed to provide meaningful drug discounts for Bay Area seniors. The House Government Reform Committee's Democratic staff produced the report.

"This report shows what we've been saying since the debate on the Republican Medicare drug bill began," said Representative Stark. "If you create a privatized drug benefit and refuse to let the government negotiate lower prices, senior citizens and people with disabilities will pay the price. Instead of attempting to set Medicare on the road to privatization, Republicans in Congress should have worked with Democrats to establish a real prescription benefit within Medicare."

"Bay Area seniors know all too well what this report concludes: that the Republican prescription drug plan was written for special interests, not the people's interests," said Leader Pelosi. "It's simply bad medicine: it does little to help with the spiraling cost of prescription drugs, and adds confusion for everyone. Democrats are working for a complete overhaul of this disastrous Republican plan so that seniors get the Medicare prescription drug benefit they deserve."

Representative

Miller said, "The Medicare benefit and its disastrous implementation by the Bush Administration are just another example of what happens when special interests write legislation. In this case, it was the most vulnerable Americans, senior citizens, who are left with the consequences. California seniors need real reform on health care, but the President's prescription is just more money for drug companies."

"I opposed the Medicare bill when it was jammed through Congress in the middle of the night in late 2003, and its miserable implementation is proof positive of how bad this legislation is," Representative Lantos said. "Instead of improving Medicare, which seniors and persons with disabilities have relied on for years, the program was turned over to hundreds of private insurers who can charge what they want, cover what drugs they want, and change what they cover at will. We need to go back to basics, make the choices between plans more simple, clarify the benefits and let the federal government negotiate lower drug prices."

According to the report, prescription drug prices in the Bay Area are 75% higher under the new Medicare prescription drug benefit than they are under prices negotiated by the federal government at other agencies including the Department of Veterans Affairs. Prices are also higher through the Medicare drug program than at Drugstore.com and Costco. By law, Medicare is barred from negotiating with drug companies for lower prices.

Two months into the enrollment period, confusion continues to run high. Many seniors who attempted to enroll have found the process excessively difficult. Others who managed to sign up have been unable to get the drugs they need because they do not appear in Medicare's system as being enrolled. Still others are shocked to find their new plans fail to cover essential drugs.

"Medicare

Part D has failed to give seniors and the disabled the significant, consistent savings they deserve," said Representative Lofgren. "This report is only further evidence that while the private insurance companies have the freedom to increase costs and limit discounts, seniors and the disabled are left without any guaranteed savings on the prescriptions they need."

Representative Lee

said, "With Bay Area seniors paying prices 75 percent higher than the prices negotiated by the federal government, this report documents in stark detail the devastating cost of the corrupt Republican Congress writing a bill for the insurance and pharmaceutical industries, not the seniors it was meant to serve."

"Leveraging the

purchasing power of 44 million people to negotiate discounted drug prices makes common sense and it makes business sense," Representative Thompson said. "This report proves that beneficiaries get the best possible price on their prescriptions when Medicare negotiates. Price negotiation saves seniors money, and it saves Medicare — and taxpayers — money too. Arguments to the contrary have, once again, been proven wrong."

"The Administration and the Republican

leadership have misled the country by promising a better plan," said Representative Honda. "Now we have firsthand knowledge that Medicare Part D as it currently stands is insufficient. Medicare beneficiaries deserve comprehensive prescription drug coverage, but it should not be this complex, confusing, or costly to beneficiaries. According to the Center for Economic and Policy Research, Medicare Part D as it stands may cost taxpayers and Medicare beneficiaries more than \$80 billion a year. In contrast, a Medicare-run prescription drug program even with only a 50% participation rate would result in \$40 billion of savings."

Democrats have introduced multiple bills to improve the Medicare drug program. H.R. 752, the Medicare Prescription Drug Savings and Choice Act, would enable beneficiaries to enroll in a uniform, Medicare-administered drug benefit and allow Medicare to negotiate with drug companies for lower prices. H.R. 3861, the Medicare Informed Choice Act, would extend open enrollment through December 31, 2006 with no late enrollment penalty. H.R. 4685, the Medicare Prescription Drug Emergency Guarantee Act, would ensure that all seniors and people with disabilities whose enrollment cannot be verified at the pharmacy still receive the medications they need.

[View a full copy of the report here.](#)